

THE WATER SYSTEM

The City's Water Services Department is responsible for the operation and maintenance of the City's revenue-producing waterworks system ("System"), which includes facilities for obtaining, purifying and delivering potable water for domestic, commercial and industrial use and for fire protection within the City and surrounding areas. It is also responsible for obtaining all necessary federal and state permits and compliance with applicable federal and state safe drinking water laws and regulations.

Primary System

The primary System includes a 240 million gallon per day treatment plant, 4 major pump stations, 14 repump stations, numerous water storage facilities, and approximately 2,800 miles of water mains. Treated water service is provided to approximately 169,000 customers inside and outside the City and 32 active wholesale customers. There are also connections with the transmission systems of 6 other regional water suppliers that can be activated in case of an emergency.

The City obtains its raw water for the primary System from a combination of surface and ground water sources. Surface water comes from the Missouri River and accounts for approximately 80% of the raw water. Ground water comes from a well field in the Missouri River aquifer and accounts for the remaining 20% of raw water. Water treatment is a four-step process that consists of sedimentation, softening, stabilization and filtration. The treated water produced by the Water Services Department meets current federal and state requirements for drinking water.

Water is pumped into the transmission system from storage reservoirs located at the water treatment plant, which is located on the north side of the Missouri River. The water transmission system is comprised of two essentially separate systems, one serving customers located north of the Missouri River and the other serving customers located south of the Missouri River. Water is delivered to the southern system through 2 tunnels under the Missouri River. The distribution systems include booster pumping stations and elevated, underground, and ground level water storage reservoirs. The existing treated water storage capacity is 141 million gallons. The average daily flow during Fiscal Year 2015 was about 104 million gallons per day with a peak day demand of 178 million gallons, which is about 74% of the primary treatment plant's design capacity.

Atherton System

The Atherton System is no longer in use. The last customer serviced by the Atherton System was a public water supply district, Jackson County PWSD #16. The Atherton System consists of 3 wells located about a mile from the Missouri River and a small treatment plant with a rated capacity of approximately 0.6 million gallons per day. The treatment plant consists of an aerator, a solids upflow contact unit, filters, pumps, chemical feeders, and a clearwell. The distribution system includes a transmission main to the water district. Jackson County PWSD #16 stopped taking water from the Water Services Department in June 2014. The City is engaged in an RFP process to sell the assets associated with the Atherton System. Prior to its exit, Jackson County PWSD #16 had provided approximately \$300,000 in annual revenue to the Water Services Department. The closure of the Atherton System will provide an offset in operational savings approximately equal to the amount of lost revenue.

Additional Information

The following table shows revenues (in thousands) generated by retail (including residential, commercial and industrial) and wholesale customers of the System for the past five years.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Retail Customers	\$ 91,072	\$ 97,503	\$ 118,403	\$ 118,428	\$ 124,411
Wholesale Customers	<u>13,737</u>	<u>16,292</u>	<u>20,641</u>	<u>18,217</u>	<u>17,395</u>
Total	<u>\$ 104,809</u>	<u>\$ 113,795</u>	<u>\$ 139,044</u>	<u>\$ 136,645</u>	<u>\$ 141,806</u>

The following table shows the number of System customers for the past five years.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Retail Customers	144,000	147,448	150,790	150,958	151,073
Commercial/Industrial	15,000	16,160	16,818	16,954	17,865
Wholesale Customers	<u>34</u>	<u>33*</u>	<u>33*</u>	<u>32*</u>	<u>32</u>
Total	<u>159,034</u>	<u>163,641</u>	<u>167,641</u>	<u>167,944</u>	<u>168,970</u>

*Jackson County PWSD #15 stopped taking water from Kansas City on February 1, 2012. Jackson County PWSD #16 stopped taking water from Kansas City in June 2014.

Management Initiatives

The Water Services Department continues its efforts to improve operating efficiencies, customer service, and service reliability. In 2007, the Water Services Department began installation work associated with a new Automated Meter Reading (“AMR”) system. Installation of the AMR system is complete. Improved accuracy, operating efficiencies, and enhanced revenue recovery is expected to continue from this undertaking. At present, approximately 96% of the estimated 170,000 meters in the System have already been affixed with AMR and a plan is currently being implemented to address the remaining non-AMR meters over the next two years.

The Water Services Department has completed the American Water Works Association (AWWA) QualServe Process and is working on implementing recommendations from that program. QualServe is a peer review-based voluntary program that assists water utilities in enhancing performance and customer satisfaction. AWWA water utility professionals developed the program specifically for water utilities to be applicable to their day-to-day work activities. Through self-assessment, peer review, benchmarking and other assessment tools, business processes are examined, including planning and financing, operations, maintenance and customer relations areas. Some of the recommendations are reorganization and the establishment of benchmarks and performance measures for the Department. In order to address recommendations from the QualServe process the Department has initiated the customer service improvement program.

The customer service improvement program is a multi-faceted project consisting of 21 separate initiatives that will be implemented over a 24-month period. The goal of the project is to improve the customer service experience through implementing required technology upgrades and enhancements, aligning customer-facing business processes, and updating training methods. Significant portions of the work include an upgrade to the customer information system and integration of various software packages to the system as well as in-depth organizational reviews of customer-facing functions including billing, call center, and meter and field services. The Water Services Department has engaged West Monroe Partners to assist with this work.

Since the beginning of the project, several initiatives have been completed including the implementation of a workforce management tool in the contact center, design and creation of an automated set of cross-functional key performance indicators, and the first phase of a reorganization plan designed to establish a

meter-to-cash cross-functional customer service unit within the department. We have also completed implementation of a post-interaction survey for customers using our portal and website.

Other initiatives for which significant progress has been made include a complete redesign of the new contact center employee training curriculum and implementation of a quality monitoring program designed to monitor customer service staff performance on an individual and group basis. The upgrade of the customer information system, and the associated interfaces was completed in August 2015.

The Water Services Department has initiated the first water master plan since 1997, established a five-year Capital Improvement Plan (described in the Capital Improvement Program section below) and completed a long term Strategic Business Plan in Fiscal Year 2014. The Water Services Department updated the Strategic Business Plan for FY 2015.

Security of the System

As a result of the terrorist attacks of September 11, 2001, the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (commonly known as the “**Bioterrorism Act**”), was signed into law on June 12, 2002. This law requires all community water systems serving more than 3,300 people to (1) conduct a vulnerability assessment; (2) certify to the United States Environmental Protection Agency (“**USEPA**”) that the vulnerability assessment was completed by a date specified in the law; (3) submit a paper copy of the assessment to the USEPA; (4) prepare or revise the emergency response plan based on the results of the vulnerability assessment; and (5) certify to the USEPA the emergency response plan has been developed or revised by a certain date. The Water Services Department has focused significant attention on securing the System. Under the requirements of the Bioterrorism Act, the City has conducted appropriate security activities and provided all required certifications to appropriate federal authorities by the prescribed deadlines concerning assessments and response planning. The City also carries property insurance for Water Services Department property that includes the terrorism coverage referred to in the Terrorism Risk Insurance Act of 2002.

Capital Improvement Program

Starting in 2007, the Water Services Department developed a five-year Capital Improvement Program (“**CIP**”) through Fiscal Year 2012. The CIP has since been updated annually, with the current five-year period extending through Fiscal Year 2020. The CIP is intended to provide facilities to meet existing and anticipated federal and state drinking water quality standards and to maintain a reliable water transmission system that can respond to changing patterns of water use throughout the System’s service area. The CIP currently identifies an estimated \$495 million of specific major capital improvements, which are expected to be financed primarily through a combination of annual revenues, contributions from local sources, available fund balances and bond proceeds.

A question to increase the water revenue bond authorization by \$500 million was presented and passed by the voters on April 8, 2014 with 79% in favor. The City plans to issue these bonds over the next ten years to support the system wide water master plan. Those plans include; ensuring a long-term reliable supply with the installation of horizontal collector wells, increased system redundancy including the rehabilitation and upgrade of the treatment system, as well as improvements to the distribution system, including pumping and storage.

In November 2011, the Water Services Department entered into a contract to update the City’s system wide water master plan. The Water Services Department last conducted a System planning study in 1996-1997. The purpose of this comprehensive water system master plan update project is to analyze the performance, condition, hydraulic capacities, and improvements needed within the existing System to meet current and projected future water demands. The plan includes a review of current drinking water distribution system operations in an effort to identify potential pumping and storage operational changes to reduce energy consumption costs and improve drinking water quality within the distribution system.

The capital improvements plan will be developed to address water supply, treatment, and distribution system needs and to incorporate reinvestment needs, drinking water quality related needs, and growth needs to develop a coordinated plan. The first phase of the master plan is completed, and is being used to assist with the continued development of the CIP. The second phase of the study is ongoing and is intended to develop a long term capital improvement strategy that will focus on long term reinvestment needs through Fiscal Year 2035.

Regulatory Requirements

In General. The City's drinking water supply operations must comply with the federal Safe Drinking Water Act, 42 USC Sec. 300f *et seq.*, and its amendments, including the Bioterrorism Act. The City is also subject to the federal regulations (40 CFR Part 141 *et seq.*) promulgated under the Safe Drinking Water Act and its amendments. These statutory and regulatory requirements are administered by the USEPA through the Missouri Department of Natural Resources ("MDNR"). Regulations of these agencies pertain to the treatment and distribution of the City's drinking water.

In addition to federal requirements, the City must comply with requirements of the State of Missouri. The primary State laws related to water supply operations are found in the Missouri Safe Drinking Water Act (Sections 640.100-640.140, RSMo.). The State's Public Drinking Water Program is contained in state regulations at 10 CSR 60.

As a public water system, the City's water treatment facility operates under a permit from MDNR and must comply with rigorous drinking water standards. The City is in full compliance with its permit requirements.

The City has never been sanctioned for a violation of federal or state drinking water laws or regulations. The City is in compliance with the Bioterrorism Act.

Largest Users of the System

The following table sets forth the ten largest users of the System and the percentage of total consumption applicable to each for the Fiscal Year ended April 30, 2015:

<u>User</u>	<u>Type of Business</u>	<u>Annual Consumption (100 cubic feet)</u>	<u>Percentage of Total Consumption</u>
City of Lee's Summit	Wholesale Water	1,158,421	3.6%
Jackson County PWSD No. 1	Wholesale Water	1,086,747	3.4%
City of Belton	Wholesale Water	756,111	2.4%
City of Raymore	Wholesale Water	694,981	2.2%
Raytown Water Company	Wholesale Water	564,064	1.8%
City of Blue Springs	Wholesale Water	539,390	1.7%
Veolia –Kansas City	Utility	478,288	1.5%
KCPL	Utility	444,332	1.4%
Dogwood Power Management	Utility	400,258	1.2%
Ford Motor Co.	Commercial	386,774	1.2%

Billing Procedures and Collections

Water rates are reviewed annually by the City to determine if rate adjustments are required. Water rates are developed based on total costs of service and customer service requirements. The rate schedule for customers outside the City is designed to reimburse the City for operation and maintenance expense,

depreciation expense, and to provide a reasonable rate of return on the plant investment serving these customers. The most recent water rate increase is effective May 1, 2015, for Fiscal Year 2016.

Charges for water services are combined on a single bill with applicable wastewater and stormwater charges. A late payment service charge of 6% of the unpaid delinquent balance is applied to all metered water service, sanitary sewer service and stormwater fee bills remaining unpaid after the delinquent date. Water and wastewater services are subject to termination without further notice if a bill remains unpaid 20 days after the delinquent date. For one- and two-family dwellings, unpaid charges may become a lien on the property if the account is three or more month's delinquent or the total amount of the delinquency is \$500 or more. For all other property classifications, unpaid charges may become a lien on the property if the account is three or more month's delinquent or the total amount of the delinquency is \$1,000 or more. Water and wastewater service can be restored upon receipt of the full amount of the outstanding balance due, including a service restoration charge.

Rate Structure

In March 2015, the City approved the following water rates, representing a 3.0% water revenue rate increase, which became effective as of May 1, 2015.

Meter Size (Inches)	<u>Service Charge</u>		<u>Seasonal Off-Peak Commodity Charge</u>		<u>Fire Protection Charge</u>	
	<u>Inside City</u>	<u>Outside City</u>	<u>\$2.80 per 100 cubic feet</u>		<u>Connection</u>	<u>Rate per</u>
	<u>Billed</u>	<u>Billed</u>			<u>Size (Inches)</u>	<u>Annum</u>
	<u>Monthly</u>	<u>Monthly</u>				
5/8	\$13.50	\$14.70			4 or less	\$110.00
3/4	\$14.50	\$15.80			6	\$323.00
1	\$17.75	\$19.30			8	\$688.00
1-1/2	\$22.10	\$24.00			10	\$1,237.00
2	\$34.00	\$36.90			12	\$2,000.00
3	\$116.00	\$116.50			16	\$4,261.00
4	\$146.00	\$148.00				
6	\$217.50	\$219.50				
8	\$315.00	\$315.00				
10	\$414.00	\$422.00				
12	\$487.00	\$496.00				

<u>Commodity Charge</u>		<u>Wholesale</u>		<u>Charge / 100 Cubic Feet</u>
<u>Inside City</u>	<u>Outside City</u>	<u>Unrestricted</u>	<u>Restricted</u>	
<u>Cubic Feet</u>	<u>Charge / 100 Cubic Feet</u>	<u>First 5,000</u>	<u>Over 5,000</u>	
First 600	\$4.60	First 5,000	\$4.90	\$2.17
Next 4,400	\$4.85	Over 5,000	\$3.90	\$2.10
Next 995,000	\$4.10			
Over 1,000,000	\$2.90			
		1 st Repump		\$0.19
		2 nd Repump		\$0.26

The City is not required to raise rates annually. The City makes no representation as to whether a rate increase will be approved in any future Fiscal Years, or, if a rate increase is approved in any Fiscal Year, as to the nature and extent of any such rate increase. Nevertheless, the City will maintain its debt service coverage requirements under existing bond ordinances.

Operating Revenues and Expenses

Approximately 88% of water sales revenues are derived from charges to retail customers. The remaining water revenues are from sales of water provided on a wholesale basis under inter-jurisdictional agreements with 32 surrounding cities and water districts. The total number of customers in Fiscal Year 2015 was approximately 169,000.

Operation and maintenance expenses include the cost of labor, materials, supplies and contractual services and represent the normal cost of System operation. Operation and maintenance expenses are expected to have a slight increase in Fiscal Year 2016 and Fiscal Year 2017. The projected increase in operation and maintenance expenses in Fiscal Years 2016 and 2017 take into consideration growth in the System and price inflation as well as the offsetting effects of staff reductions and improvements in cost efficiencies.

Accounting, Budgeting and Auditing Procedures

The Water Services Department is an enterprise activity whose financial records are audited annually and reported in conformity with generally accepted accounting principles for governmentally-owned water utilities. The Water Services Department operates the System on the accrual basis system of accounting, where revenues are recorded when earned and expenses are recorded when incurred.

An annual budget of estimated receipts and disbursements for the coming Fiscal Year is prepared by the Director of Water Services under the direction of the City Manager and is presented to the City Council in March for approval after a public hearing. The Fiscal Year of the System is May 1 through April 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rates required to raise each amount shown on the budget as coming from System revenues.

The financial records of the System are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. The annual audit was performed by BKD, LLP, Kansas City, Missouri (“BKD”). Copies of the audit reports of the past five years are on file in the City Clerk’s office and are available for review.

Financial Statements

The City maintains its financial records on the basis of a Fiscal Year ending April 30. Such financial statements have been audited by BKD. The City did not ask BKD to perform any additional work or any post-audit procedures more recently than the April 30, 2015 audit with respect thereto.

The tables on the following pages provide the Water Fund’s balance sheets and income statements for the Fiscal Years ended April 30, 2011 through 2015 as well as historical debt service coverage.

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City of Kansas City Missouri Water Fund
Statement of Net Position
Audited for Fiscal Years ending April 30, 2011-2015

Assets	2011	2012	2013	2014	2015
	(as restated)	(as restated)	(as restated)		
Current assets:					
Cash and cash equivalents	\$ 1,650,868	\$ 3,173,573	\$ 5,341,520	\$ 3,865,509	\$ 5,728,138
Investments	3,225,858	8,850,612	14,345,894	11,273,433	5,476,116
Accounts receivable, net	15,300,787	14,381,331	14,845,584	16,698,051	18,331,213
Accrued interest receivable	173,140	173,959	189,960	200,045	194,088
Current portion of notes receivable	504,919	550,240	556,188	444,331	487,447
Inventories	2,341,134	2,415,413	2,060,896	2,365,392	2,541,885
Prepaid expenses	-	-	-	-	-
Due from other funds	391,082	30,152	14,673	131,722	2,509,762
Total unrestricted current assets	23,587,788	29,575,280	37,354,715	34,978,483	35,268,649
Restricted assets:					
Cash and cash equivalents	8,017,760	5,703,876	6,990,834	5,427,229	4,142,657
Investments	4,619,490	15,478,885	28,797,196	13,592,167	40,652,293
Accrued interest receivable	330,100	252,221	242,884	215,478	281,906
Total restricted current assets	12,967,350	21,434,982	36,030,915	19,234,874	45,076,856
Total current assets	36,555,138	51,010,262	73,385,630	54,213,357	80,345,505
Investments	28,077,160	43,459,349	66,547,826	78,641,152	99,552,512
Restricted assets-investments	50,191,184	59,262,280	74,473,214	81,995,567	116,073,373
Special assessments receivable, net of allowance	13,886	11,015	-	-	-
Notes Receivable	9,357,450	8,827,759	8,163,057	6,152,604	5,349,782
Prepaid Bond Insurance	2,658,674	2,535,492	2,412,310	2,289,129	2,165,947
Capital Assets, depreciable, net	563,674,078	585,378,985	694,324,652	704,505,308	742,359,680
Capital Assets, nondepreciable	86,651,063	95,998,216	21,651,577	40,349,955	85,810,651
Total assets	\$ 777,178,633	\$ 846,483,358	\$ 940,958,266	\$ 968,147,072	\$ 1,131,657,450
Deferred outflows of resources	6,083,101	5,371,716	4,660,331	3,948,946	3,332,372
Total assets and deferred outflows of resources	\$ 783,261,734	\$ 851,855,074	\$ 945,618,596	\$ 972,096,018	\$ 1,134,989,822

City of Kansas City Missouri Water Fund
Statement of Net Position (Continued)
Audited for Fiscal Years ending April 30, 2011-2015

Liabilities and Net Assets	2011 (as restated)	2012 (as restated)	2013 (as restated)	2014	2015
Current liabilities:					
Accounts payable	\$ 5,868,776	\$ 5,279,562	\$ 6,733,130	\$ 11,559,757	\$ 14,955,901
Current portion of compensated absences	688,391	607,774	765,220	756,231	765,657
Accrued payroll and related expenses	551,350	675,111	816,132	1,092,893	1,162,860
Contracts and retainage payable	275,274	465,394	128,492	334,202	330,793
Other liabilities	863,979	863,980	863,980	313,139	313,139
Current portion of due to other funds	787,148	388,286	385,331	494,319	399,381
Current portion of claims liability	1,667,197	1,518,013	1,576,740	2,115,022	2,408,188
Total current liabilities	10,702,115	9,798,120	11,269,025	16,665,563	20,335,919
Liabilities payable from restricted assets:					
Accrued interest and fiscal agent fees	3,939,588	4,079,950	4,561,591	4,877,101	5,596,327
Current portion of revenue bonds payable	17,384,537	18,100,341	18,236,293	19,052,596	18,839,461
Contracts and retainage payable	1,542,874	1,760,833	1,368,566	844,956	2,391,019
Customer deposits	1,364,165	1,211,247	1,494,532	1,812,141	2,371,952
Total liabilities payable from restricted assets	24,231,164	25,152,371	25,660,982	26,586,794	29,198,759
Total current liabilities	34,933,279	34,950,491	36,930,007	43,252,357	49,534,678
Claims liability	5,235,283	4,469,352	5,891,987	7,474,590	8,062,392
Compensated absences	1,944,252	2,213,803	2,458,139	2,586,986	2,638,882
Pension liability	3,363,131	4,310,573	4,502,908	4,706,461	4,301,357
Postretirement liability	4,178,628	4,525,571	4,740,414	5,041,284	5,187,572
Revenue bonds payable	231,994,151	265,929,021	305,721,452	285,893,794	388,450,333
Total liabilities	281,648,724	316,398,811	360,244,907	348,955,472	458,175,214
Net assets:					
Invested in capital assets, net of related debt	454,342,524	468,425,903	488,842,664	513,054,370	552,399,594
Restricted	11,382,337	10,008,982	13,199,410	26,454,618	24,439,399
Unrestricted	35,888,149	57,021,378	83,331,615	83,631,558	99,975,615
Total net position	501,613,010	535,456,263	585,373,689	623,140,546	676,814,608
Total liabilities and net position	\$ 783,261,734	\$ 851,855,074	\$ 945,618,596	\$ 972,096,018	\$ 1,134,989,822

City of Kansas City, Missouri Water Fund
Statements of Revenues, Expenses, and Changes in Fund Net Position
Audited for Fiscal Years Ending April 30, 2011 - 2015

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
	(as restated)	(as restated)	(as restated)		
Operating revenues:					
Water sales	\$104,809,250	\$113,795,787	\$139,044,243	\$136,645,032	\$141,805,902
Other water revenue	3,043,482	4,425,641	4,128,038	3,132,691	3,363,610
Income from jobbing, contract work and miscellaneous revenues	7,355,893	7,026,768	6,470,794	4,459,597	5,133,697
Total operating revenues	<u>115,208,625</u>	<u>125,248,196</u>	<u>149,643,076</u>	<u>144,237,320</u>	<u>150,303,209</u>
Operating expenses:					
Power and pumping	4,955,130	4,844,668	5,391,806	4,924,274	4,958,291
General and electrical maintenance	2,541,658	4,034,162	4,347,317	4,758,471	4,733,179
Purification	11,892,058	11,020,685	12,245,660	12,159,176	12,141,165
Laboratory services	2,477,521	2,470,682	2,471,376	2,593,992	2,688,627
Transmission and distribution	11,488,867	21,122,053	23,062,262	20,756,589	16,869,006
Customer service	7,295,986	7,236,663	7,851,497	8,229,725	9,122,385
Mechanical maintenance	2,754,732	2,751,426	2,929,851	2,928,413	2,680,090
Customer accounting and collection	4,963,537	5,184,265	5,672,474	9,215,812	10,558,460
Administrative and general	16,123,070	14,585,368	14,727,241	19,056,962	16,352,602
Depreciation and amortization	10,641,537	13,727,537	14,375,319	15,024,352	15,616,130
Total operating expenses	<u>75,134,096</u>	<u>86,977,509</u>	<u>93,074,804</u>	<u>99,647,766</u>	<u>95,719,935</u>
Operating income	<u>40,074,529</u>	<u>38,270,687</u>	<u>56,568,272</u>	<u>44,589,554</u>	<u>54,583,274</u>
Nonoperating revenues (expenses):					
Interest on investments	1,625,220	1,457,756	977,115	632,555	1,851,862
Interest expense and fiscal agent fees	(9,103,896)	(9,774,619)	(9,772,564)	(9,586,155)	(11,600,786)
Other	(214,237)	(627,173)	(472,631)	(7,312)	78,478
Total nonoperating revenues (expenses)	<u>(7,692,913)</u>	<u>(8,944,036)</u>	<u>(9,268,080)</u>	<u>(8,960,912)</u>	<u>(9,670,446)</u>
Net income before capital contributions	32,381,616	29,326,651	47,300,192	35,628,642	44,912,828
Capital contributions	4,608,332	4,514,602	2,617,234	2,138,215	8,761,234
Change in net position	36,989,948	33,841,253	49,917,426	37,766,857	53,674,062
Total net position - beginning of the year	464,625,062	501,615,010	535,456,263	585,373,689	623,140,546
Adjustment for change in acctg principle	-	-	-	-	-
Net position, beginning of year, as adjusted	464,625,062	501,615,010	535,456,263	585,373,689	623,140,546
Total net position - end of the year	<u>\$501,615,010</u>	<u>\$535,456,263</u>	<u>\$585,373,689</u>	<u>\$623,140,546</u>	<u>\$676,814,608</u>

CITY OF KANSAS CITY, MISSOURI
WATER FUND
Historical Debt Service Coverage Calculation
For Fiscal Years Ending April 30, 2011 through April 30, 2015

	2011 (as restated)	2012 (as restated)	2013 (as restated)	2014	2015
Total Operating Revenues	115,208,625	125,248,196	149,643,076	144,237,320	150,303,209
Less: Total Operating Expenses	75,134,096	86,977,509	93,074,803	99,647,766	95,719,935
	40,074,529	38,270,687	56,568,273	44,589,554	54,583,274
Plus: Depreciation and Amortization	10,641,537	13,727,537	14,375,319	15,024,352	15,616,130
Administrative Fees	4,725,768	4,314,746	3,506,180	3,605,431	4,004,170
Principal of Contracts Received from Other Governmental Unit	565,529	510,426	684,964	607,586	572,202
Non-Cash OPEB	368,547	346,943	214,843	300,870	146,288
Interest Income	1,625,220	1,457,756	977,115	632,555	1,851,862
	17,926,601	20,357,408	19,758,421	20,170,794	22,190,652
Net Revenues Available for Debt Service	58,001,130	58,628,095	76,326,694	64,760,348	76,773,926
Debt Service - Senior Bonds	20,460,088	20,673,288	22,092,571	23,506,384	25,157,120
Debt Service Coverage - Senior Bonds	2.83	2.84	3.45	2.76	3.05
Debt Service - Senior and Subordinate Bonds	23,284,828	23,495,011	24,913,714	26,329,151	27,978,482
Debt Service Coverage - Senior and Subordinate Bonds	2.49	2.50	3.06	2.46	2.74
Debt Service - All Water Obligations*	27,795,629	27,974,952	29,393,656	30,809,092	32,458,424
Debt Service Coverage - All Water Obligations*	2.09	2.10	2.60	2.10	2.37

*Debt Service on all Water Obligations includes AMR obligations